THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION NO.23550 OF 2005

Dated: 28th April, 2006.

Between:

1. Mr. D. Anjayya & Others. … Petitioners

And

Bank of India, Harbour Road Branch,

Visakhapatnam, rep. by its Authorised

Officer. … Respondent

THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION NO.23550 OF 2005

ORDER :

This writ petition is filed seeking a declaration that the action of the respondent Bank in selling the assets of the petitioners without giving the petitioner company an opportunity to settle the outstanding amounts as arbitrary, illegal and contrary to the provisions of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

This Court while directing Rule Nisi, by order dated 2-11-2005 directed that any auction of the properties would be subject to further orders in this writ petition.

It appears that subsequently though the sale took place, the same was not confirmed and the petitioners have been continuing in possession. While so, during the pendency of this writ petition, in pursuance of the application made by the petitioners for settlement of dues, both the parties have mutually agreed for One Time Settlement (OTS) and accordingly by order dated 15-4-2006 the respondent Bank informed the petitioner that the competent authority of the respondent Bank had approved the compromise proposal subject to certain terms and conditions specified thereunder. One of the conditions is that the offer was valid for 30 days.

When the matter is taken up for consideration, the learned Counsel for the petitioners submits that in view of OTS approved by the respondent Bank, the impugned sale cannot be sustained. The learned counsel further submitted that the letter dated 15-4-2006 was served on the petitioner on 19-4-2006 and that in terms of OTS arrived at between the parties the petitioner is willing to make the payment.

Having regard to the subsequent events that have taken place and since both the parties have mutually agreed for OTS of the loan account, the sale of the petitioners' properties held on 3-11-2005 pursuant to sale notice dated 25-9-2005 is hereby set aside and the Writ Petition is disposed of granting liberty to both the parties to take necessary steps in terms of OTS arrived at between the parties.

It is also made clear that this shall not preclude the petitioners to make an appropriate application before the respondent Bank for extension of time for payment of amounts under OTS in case necessity thereof arises, in which event the respondent may consider the same in accordance with law.

Writ Petition is accordingly disposed of. No costs.

G. ROHINI, J.

Dt. 28th April, 2006

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